

Message Text

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ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14

RSC-01 SIL-01 OIC-04 AGR-20 CEA-02 CIAE-00 COME-00

FRB-02 H-03 INR-10 L-03 LAB-06 NSAE-00 NSC-07 PA-04

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15

PRS-01 SP-03 FEA-02 OMB-01 SWF-02 DRC-01 /242 W

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R 281548Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 6059

UNCLAS SECTION 1 OF 2 GENEVA 3338/1

E.O. 11652: N/A

TAGS: ETRD, UNCTAD

SUBJECT: UNCTAD: DRAFT RESOLUTION ON IMPROVEMENTS IN GSP

REF: GENEVA 3333

1. FOLLOWING IS TEXT OF GROUP OF 77 (DEVELOPING COUNTRIES)
DRAFT RESOLUTION ON IMPROVEMENTS IN GENERALIZED SYSTEM OF
PREFERENCES TO BE TABLED AT SIXTH SESSION OF SPECIAL
COMMITTEE ON PREFERENCES (TD/B/C.5/L.13).

QUOTE

THE SPECIAL COMMITTEE ON PREFERENCES,
RECALLING UNCTAD RESOLUTION 21(II) AND THE AGREED
CONCLUSION ADOPTED AT THE IVTH SESSION OF THE COMMITTEE;
RECALLING ITS RESOLUTION 1(IV), AND PARTICULARLY
SECTION III THEREOF;
BEARING IN MIND THE PROGRAMME OF ACTION ON THE
ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER ADOPTED
BY THE UN GENERAL ASSEMBLY AT ITS SIXTH SPECIAL SESSION;
HAVING REVIEWED THE SCHEMES OF GENERALIZED
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PREFERENCES IN OPERATION;

HAVING HEARD THE STATEMENTS OF THE PREFERENCE-GIVING
AND PREFERENCE-RECEIVING COUNTRIES;

1. NOTES WITH APPRECIATION THE IMPROVEMENTS ALREADY
EFFECTED IN THE SCHEMES OF GENERALIZED PREFERENCES;

2. INVITES THE PREFERENCE-GIVING COUNTRIES, WHILE
MOVING TOWARDS THE OBJECTIVE OF DUTY-FREE AND QUOTA-
FREE TREATMENT FOR ALL PRODUCTS OF EXPORT INTEREST TO
DEVELOPING COUNTRIES ON A GENERALIZED, NON-RECIPROCAL
AND NON-DISCRIMINATORY BASIS, TO EFFECT FURTHER
IMPROVEMENTS IN THEIR SCHEMES OF GENERALIZED PREFERENCES
ON THE LINES REQUESTED BY THE DEVELOPING COUNTRIES, AND
IN PARTICULAR ON THE FOLLOWING LINES:

(I) EXPANSION OF THE PRODUCT-COVERAGE TO INCLUDE
AGRICULTURAL AND PRIMARY PRODUCTS IN BTN CHAPTERS 1-24,
INCLUDING THOSE IN PROCESSED AND SEMI-PROCESSED FORM;

(II) INCLUSION OF ALL PRODUCTS OF PARTICULAR EXPORT
INTEREST TO DEVELOPING COUNTRIES IN BTN CHAPTERS 25-99, SUCH
AS TEXTILES, FOOT-WEAR, OTHER LEATHER PRODUCTS, ETC.;

(III) DUTY-FREE AND QUOTA FREE TREATMENT FOR HAND MADE
PRODUCTS;

(IV) DEEPER TARIFF CUTS ON PRODUCTS FOR WHICH
PREFERENTIAL TARIFFS CANNOT IMMEDIATELY BE REDUCED TO ZERO;

(V) SUBSTANTIAL INCREASES IN CEILINGS WHEREVER IT IS NOT
POSSIBLE TO REMOVE THE CEILINGS IMMEDIATELY;

(VI) ZERO PREFERENTIAL TARIFFS FOR ALL PRODUCTS WHICH REMAIN
SUBJECT TO QUANTITATIVE CEILINGS;

(VII) REDUCTION TO THE MINIMUM OF PRODUCTS INCLUDED IN
SENSITIVE AND SEMI-SENSITIVE LISTS;

(VIII) CALCULATION OF BASIC AND SUPPLEMENTARY QUOTAS
ON THE BASIS OF THE MOST RECENT REFERENCE YEARS FOR WHICH
TRADE DATA ARE AVAILABLE;

(IX) MORE FLEXIBLE AND LIBERAL ADMINISTRATION OF
CEILINGS;

(X) RESORT TO ESCAPE CLAUSES OR SAFEGUARD ACTIONS ONLY
UNDER EXCEPTIONAL CIRCUMSTANCES RESULTING EXCLUSIVELY FROM
THE OPERATION OF THE SCHEMES OF GENERALIZED PREFERENCES AND
SUBJECT TO PRIOR INTERNATIONAL CONSULTATION AND REVIEW;

(XI) HARMONIZATION, SIMPLIFICATION AND IMPROVEMENT
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OF THE RULES OF ORIGIN, AS SUGGESTED BY DEVELOPING COUNTRIES
IN THE WORKING GROUP ON RULES OF ORIGIN.

3. REQUESTS THE PREFERENCE-GIVING COUNTRIES TO ADOPT
SUPPLEMENTARY MEASURES TO FACILITATE BENEFICIARY
DEVELOPING COUNTRIES IN AVAILING OF THE GSP AND TO
EXEMPT THE PRODUCTS COVERED BY THEIR RESPECTIVE SCHEMES
FROM ANY BALANCE OF PAYMENT AND OTHER MEASURES THEY

MAY HAVE ADOPTED OR MAY ADOPT THAT AFFECT ADVERSELY
THE BENEFITS UNDER THE GSP;

4. REQUESTS THAT DEVELOPING COUNTRIES WHICH ARE OR WILL
BE SHARING THEIR EXISTING TARIFF ADVANTAGES IN SOME
DEVELOPED COUNTRIES AS A RESULT OF THE INTRODUCTION AND
EVENTUAL ENLARGEMENT OF THE GSP BE GRANTED, AS A MATTER
OF URGENCY, NEW OPENINGS IN THE MARKETS OF OTHER DEVELOPED
COUNTRIES WHICH SHOULD OFFER THEM EXPORT OPPORTUNITIES THAT
AT LEAST COMPENSATE FOR THE SHARING OF THOSE ADVANTAGES.

5. REQUESTS THE SECRETARY-GENERAL OF UNCTAD TO RECONVENE
AT THE EARLIEST OPPORTUNITY THE WORKING GROUP ON RULES OF
ORIGIN IN ORDER TO REACH AGREEMENT ON ALL OUTSTANDING
PROBLEMS AND TO REPORT TO THE TRADE AND DEVELOPMENT BOARD
AT ITS 15TH SESSION. UNQUOTE

2. GROUP OF 77 RESOLUTION ON GSP IMPROVEMENT SEEMS TO BE
DIRECTED AT THOSE DONOR COUNTRIES WHICH AVE SCHEMES IN
OPERATION. WE BELIEVE THEREFORE THAT THESE DONOR COUNTRIES
SHOULD BEAR BRUNT OF NEGOTIATING CHANGES. THERE ARE,
HOWEVER, SEVERAL POINTS WHICH MAY AFFECT US SYSTEM
WHEN IT COMES INTO OPERATION. OUR COMMENTS ON THOSE POINTS
ARE AS FOLLOWS:

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ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14

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R 281548Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 6060

UNCLAS SECTION 2 OF 2 GENEVA 3338/2

-- PARAGRAPH 2 - INTRODUCTORY STATEMENT NEEDS TO BE QUALIFIED. SUGGEST DELETION OF REFERENCE TO ALL PRODUCTS SUCH AS ADDITION OF WORDS "ENDEAVOR TO" BEFORE THE WORDS "EFFECT FURTHER IMPROVEMENTS. . .".

-- PARAGRAPH 2 (II AND III) - WORDS "WHERE POSSIBLE" NEED TO BE INSERTED. REFERENCE TO TEXTILES AND FOOTWEAR SHOULD BE DELETED FROM 2(II).

-- PARAGRAPH 2(V AND IX) - WE ASSUME REFERENCES TO CEILINGS ARE CONFINED TO EXISTING SCHEMES AND NOT US COMPETITIVE NEED FORMULA AND BELIEVE WE CAN SO ARGUE IN FUTURE DISCUSSION. WE THEREFORE CONSIDER US COMMENT UNNECESSARY.

-- PARAGRAPH 2(X) - THIS IS UNACCEPTABLE BECAUSE OF ITS USE OF WORD "EXCLUSIVELY" IN REFERRING TO OPERATION OF SAFEGUARDS AND ENDORSEMENT OF PRIOR INTERNATIONAL CONSULTATION AND REVIEW.

-- PARAGRAPH 2(XI) - ACCEPTABLE IF MODIFIED TO READ "... AS AGREED BY THE WORKING GROUP ON RULES OF ORIGIN."

-- PARAGRAPH 3 - WE DO NOT YET KNOW WHAT IS CONTEMPLATED BY "ADOPT SUPPLEMENTARY MEASURES," AND WILL SEEK CLARIFICATION. HOWEVER, WE BELIEVE CONCEPT OF EXEMPTION OF GSP PRODUCTS FROM BALANCE OF PAYMENTS AND OTHER MEASURES IS UNACCEPTABLE WITHOUT MODIFICATION SUCH AS REPLACEMENT OF UNCLASSIFIED

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WORD "EXEMPT" BY WORDS "CONSIDER EXEMPTION".

-- PARAGRAPH 4 - PARA MUCH STRONGER THAN TEXTS IN PREVIOUS RESOLUTIONS. BELIEVE WORDS "BE GRANTED" SHOULD BE WATERED DOWN TO SOMETHING ALONG LINES OF RESOLUTION IN FIFTH SPECIAL COMMITTEE, I.E. TO "WOULD EXPECT".

-- PARAGRAPH 5 - WG UNLIKELY REACH AGREEMENT ON RULES OF ORIGIN; THEREFORE BELIEVE WORDS "ENDEAVOR TO REACH AGREEMENT" SHOULD BE INSERTED IN PLACE OF "REACH AGREEMENT", AND WORD "ALL" SHOULD BE DELETED.

3. DISCUSSIONS OF THIS RESOLUTION BEGAN IN GROUP B MAY 28 AND WILL BE TAKEN UP WITH GROUP OF 77 MAY 29. WE WILL TAKE POSITIONS AS OUTLINED ABOVE PENDING RECEIPT OF ANY INSTRUCTIONS DEPARTMENT MAY BELIEVE NECESSARY.DALE

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